

# 2011 Property Tax Report

## Warren County

### with Comparisons to Prior Years



Legislative Services Agency

August 2011

This report describes property tax changes in Warren County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Warren County

The average homeowner saw an 8.0% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 34.9% lower than they were in 2007, before the property tax reforms.

94.6% of homeowners saw lower tax bills in 2011 than in 2007.

65.0% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	1,943	80.8%	114	4.7%
No Change	96	4.0%	16	0.7%
Lower Tax Bill	366	15.2%	2,275	94.6%
<b>Average Change in Tax Bill</b>	<b>8.0%</b>		<b>-34.9%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	380	15.8%	73	3.0%
10% to 19%	646	26.9%	14	0.6%
1% to 9%	917	38.1%	27	1.1%
0%	96	4.0%	16	0.7%
-1% to -9%	211	8.8%	49	2.0%
-10% to -19%	116	4.8%	120	5.0%
-20% to -29%	14	0.6%	366	15.2%
-30% to -39%	6	0.2%	518	21.5%
-40% to -49%	2	0.1%	577	24.0%
-50% to -59%	5	0.2%	314	13.1%
-60% to -69%	3	0.1%	129	5.4%
-70% to -79%	2	0.1%	53	2.2%
-80% to -89%	1	0.0%	49	2.0%
-90% to -99%	1	0.0%	28	1.2%
-100%	5	0.2%	72	3.0%
<b>Total</b>	<b>2,405</b>	<b>100.0%</b>	<b>2,405</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★  
 LOSS OF STATE HOMESTEAD  
 CREDIT AND LOWER LOCAL  
 HOMESTEAD CREDITS RAISED  
 HOMEOWNER TAX BILLS  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes increased 8.0% on average in Warren County in 2011. This was more than the state average of 4.4%. Warren County homestead taxes were still 34.9% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.9% in Warren County in 2010. In addition, Warren County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it.

#### Tax Rates

Property tax rates declined in most of Warren County tax districts. The average tax rate declined by 3.1% because the increase in net assessed value exceeded a smaller increase in the levy. Levies in Warren County increased by 0.6%. The biggest levy increases were in all of Warren County Schools funds. The biggest levy reductions were in most of Benton Community Schools funds. Warren County's total net assessed value increased 3.8% in 2011. Homestead and agricultural net assessments increased by 4.9% and 2.8%, respectively. Other residential assessments showed an increase at 5.3%, while business net assessments increased by 5.1%.

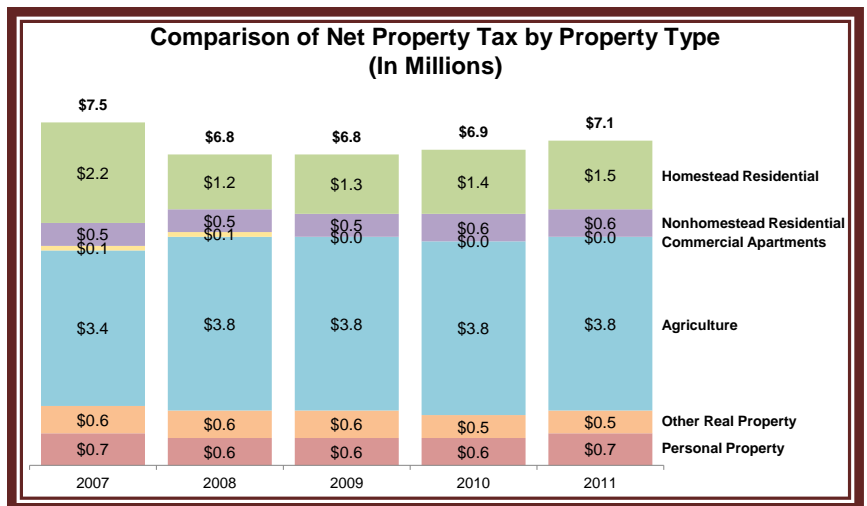
★★★★★★

*TAX INCREASES FOR AGRICULTURE, OTHER  
RESIDENTIAL, AND BUSINESS; DECREASES  
FOR APARTMENTS*

★★★★★★

### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers increased 3.1% in Warren County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 15.1%. Tax bills for commercial apartments decreased 1.5%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – rose by 2.0%. Agricultural tax bills rose 0.5%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

★★★★★★

*TAX CAP CREDITS INCREASED IN 2011,  
BUT REMAINED VERY SMALL.*

★★★★★★

Total tax cap credit losses in Warren County were \$20,140, or 0.3% of the levy. This was much less than the state average loss rate of 9.2%, and much less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Warren County's tax rates were lower than the state median.

Two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category. Two tax districts in Warren County had rates above \$2 per \$100 assessed value, which made property in the 2% category eligible for tax cap credits. The largest percentage losses were in the towns of West Lebanon and Pine Village and the West Lebanon Library. The largest dollar losses were in the Warren County School Corporation, town of West Lebanon, and the county unit.

Warren County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$3,511	\$12,499	\$0	\$1,894	\$17,904	0.2%
2011 Tax Cap Credits	2,622	13,645	0	3,873	20,140	0.3%
<b>Change</b>	<b>-\$890</b>	<b>\$1,145</b>	<b>\$0</b>	<b>\$1,980</b>	<b>\$2,236</b>	<b>0.0%</b>

Tax cap credits increased slightly in Warren County in 2011 by \$2,236, or 12%. The additional

credits represent little change in the total tax levy. Most of the increase in tax cap credits was in the elderly tax cap category, which prevents the tax bills of homesteads owned by people aged 65 or more with low incomes from increasing more than 2% in a year. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits caused much of the elderly tax cap credit increase.

### The Effect of Recession

The 2009 recession had little effect on Warren County assessments for pay-2011. Property values and construction activity appear to have grown in Warren County in 2009. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. Local credits are so high, and tax rates are so low in Warren, that this had little effect on tax cap credit revenue losses.

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*2009 RECESSION HAD LITTLE EFFECT  
ON ASSESSMENTS IN 2011*

★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$283,941,500	\$290,205,800	2.2%	\$114,604,637	\$120,224,936	4.9%
Other Residential	26,019,800	27,415,600	5.4%	25,668,430	27,026,770	5.3%
Ag Business/Land	273,539,000	281,072,800	2.8%	272,169,425	279,743,205	2.8%
Business Real/Personal	89,528,650	92,943,040	3.8%	71,908,201	75,577,671	5.1%
<b>Total</b>	<b>\$673,028,950</b>	<b>\$691,637,240</b>	<b>2.8%</b>	<b>\$484,350,693</b>	<b>\$502,572,582</b>	<b>3.8%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Warren County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	10,712,087	11,023,355	7,606,423	7,564,504	7,606,546	2.9%	-31.0%	-0.6%	0.6%
State Unit	10,657	11,890	0	0	0	11.6%	-100.0%		
Warren County	3,328,102	2,874,466	2,827,387	2,794,597	2,783,333	-13.6%	-1.6%	-1.2%	-0.4%
Adams Township	15,316	15,670	15,869	15,886	15,737	2.3%	1.3%	0.1%	-0.9%
Jordan Township	15,485	14,970	15,250	14,924	14,849	-3.3%	1.9%	-2.1%	-0.5%
Kent Township	18,197	18,307	16,566	16,539	9,224	0.6%	-9.5%	-0.2%	-44.2%
Liberty Township	17,266	17,628	17,330	17,432	17,331	2.1%	-1.7%	0.6%	-0.6%
Medina Township	13,868	14,319	14,100	13,883	13,748	3.3%	-1.5%	-1.5%	-1.0%
Mound Township	22,725	23,341	23,156	22,762	22,532	2.7%	-0.8%	-1.7%	-1.0%
Pike Township	9,981	10,301	10,090	10,182	10,097	3.2%	-2.0%	0.9%	-0.8%
Pine Township	29,092	29,530	28,765	28,725	28,674	1.5%	-2.6%	-0.1%	-0.2%
Prairie Township	9,805	9,788	9,742	9,745	9,653	-0.2%	-0.5%	0.0%	-0.9%
Steuben Township	17,763	17,691	17,809	17,932	17,750	-0.4%	0.7%	0.7%	-1.0%
Warren Township	9,232	9,412	9,196	9,299	9,199	1.9%	-2.3%	1.1%	-1.1%
Washington Township	35,830	36,579	36,041	36,315	35,967	2.1%	-1.5%	0.8%	-1.0%
Pine Village Civil Town	36,610	37,525	36,668	36,019	35,680	2.5%	-2.3%	-1.8%	-0.9%
State Line City Civil Town	22,373	22,452	21,783	21,356	21,168	0.4%	-3.0%	-2.0%	-0.9%
West Lebanon Civil Town	106,798	110,097	105,121	106,281	107,201	3.1%	-4.5%	1.1%	0.9%
Williamsport Civil Town	222,066	219,710	222,597	237,193	215,704	-1.1%	1.3%	6.6%	-9.1%
Benton Community School Corp	1,257,677	1,322,534	825,784	830,268	733,934	5.2%	-37.6%	0.5%	-11.6%
Covington Community School Corp	407,349	432,867	277,733	371,988	357,478	6.3%	-35.8%	33.9%	-3.9%
M.S.D. Of Warren County School Corp	4,793,563	5,416,496	2,754,530	2,637,148	2,834,489	13.0%	-49.1%	-4.3%	7.5%
West Lebanon Public Library	68,198	120,544	90,351	90,603	93,759	76.8%	-25.0%	0.3%	3.5%
Williamsport Public Library	129,127	114,868	115,564	113,701	108,147	-11.0%	0.6%	-1.6%	-4.9%
Warren County Solid Waste Mgt Dist	115,007	122,370	114,991	111,726	110,892	6.4%	-6.0%	-2.8%	-0.7%

### Warren County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
86001	Adams Township	1.3652	4.6727%	--	7.2960%	--	--	--	1.2018
86002	Pine Village (Adams)	2.2811	4.6727%	--	0.7619%	--	--	--	2.1571
86003	Jordan Township	1.3549	4.6727%	--	26.0125%	--	--	--	0.9391
86004	Kent Township	1.3665	4.6727%	--	6.7631%	--	--	--	1.2102
86005	State Line (Kent)	1.8770	4.6727%	--	54.8855%	--	--	--	0.7591
86006	Liberty Township	1.3521	4.6727%	--	9.4939%	--	--	--	1.1606
86007	Medina Township	1.4513	4.6727%	--	1.6993%	--	--	--	1.3588
86008	Mound Township	1.7169	4.6727%	--	12.0526%	--	--	--	1.4297
86009	Pike Township	1.6368	4.6727%	--	3.2344%	--	--	--	1.5074
86010	West Lebanon (Pike)	2.3698	4.6727%	--	21.3095%	--	--	--	1.7541
86011	Pine Township	1.3973	4.6727%	--	2.5001%	--	--	--	1.2971
86012	Prairie Township	1.4323	4.6727%	--	26.3317%	--	--	--	0.9882
86013	Steuben Township	1.3600	4.6727%	--	3.2479%	--	--	--	1.2523
86014	Warren Township	1.3466	4.6727%	--	0.9603%	--	--	--	1.2707
86015	Washington Township	1.5638	4.6727%	--	10.4669%	--	--	--	1.3270
86016	Williamsport	1.9958	4.6727%	--	3.6012%	--	--	--	1.8307
86017	Liberty Williamsport	1.8059	4.6727%	--	--	--	--	--	1.7215

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Warren County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	2,622	13,645	0	3,873	20,140	7,606,546	0.3%
<i>TIF Total</i>	0	0	0	0	0	1,336	0.0%
<i>County Total</i>	2,622	13,645	0	3,873	20,140	7,607,882	0.3%
Warren County	864	3,227	0	1,244	5,335	2,783,333	0.2%
Adams Township	0	25	0	0	25	15,737	0.2%
Jordan Township	0	0	0	0	0	14,849	0.0%
Kent Township	0	0	0	2	2	9,224	0.0%
Liberty Township	7	0	0	4	11	17,331	0.1%
Medina Township	15	0	0	0	15	13,748	0.1%
Mound Township	0	0	0	23	23	22,532	0.1%
Pike Township	9	54	0	17	79	10,097	0.8%
Pine Township	6	0	0	5	10	28,674	0.0%
Prairie Township	0	0	0	2	2	9,653	0.0%
Steuben Township	0	0	0	8	8	17,750	0.0%
Warren Township	0	0	0	4	4	9,199	0.0%
Washington Township	29	0	0	29	57	35,967	0.2%
Pine Village Civil Town	0	1,491	0	7	1,498	35,680	4.2%
State Line City Civil Town	0	0	0	27	27	21,168	0.1%
West Lebanon Civil Town	0	3,227	0	125	3,351	107,201	3.1%
Williamsport Civil Town	298	0	0	290	588	215,704	0.3%
Benton Community School Corp	331	0	0	98	429	733,934	0.1%
Covington Community School Corp	0	0	0	362	362	357,478	0.1%
M.S.D. Of Warren County School Corp	865	4,331	0	1,332	6,528	2,834,489	0.2%
West Lebanon Public Library	57	1,162	0	141	1,360	93,759	1.5%
Williamsport Public Library	107	0	0	106	213	108,147	0.2%
Warren County Solid Waste Mgt Dist	34	129	0	50	213	110,892	0.2%
TIF - Pike TIF 009	0	0	0	0	0	1,336	0.0%
TIF - West Lebanon TIF 010	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.